

Message Text

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ACTION EA-09

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C O N F I D E N T I A L MANILA 13222

CINCPAC ALSO FOR POLAD

FROM USDEL 231

E.O. 11652: GDS

TAGS: MARR, RP

SUBJECT: PHILIPPINE BASE NEGOTIATIONS: DAILY SUMMARY NO.48

1. SUMMARY. LABOR, FACILITIES, AND COMMAND AND CONTROL WORKING GROUPS MET TODAY. THERE WAS LITTLE PROGRESS IN ANY GROUP.

2. LABOR. ON AUGUST 24 THE PHIL LABOR GROUP AGREED TO MEET THE FOLLOWING DAY WITH EACH SIDE PRESENTING REDRAFTS OF TWO PARAGRAPHS. AS A RESULT OF UNDERSECRETARY INCIONG'S OTHER OFFICIAL FRENETIC ACTIVITIES, THAT MEETING DID NOT MATERIALIZE UNTIL THIS MORNING, 30 AUGUST. THE PHILS PRESENTED NOTHING; THE US SIDE PRESENTED REVISED AD REFERENDUM LANGUAGE ON PREFERENTIAL EMPLOYMENT AND SECURITY OF EMPLOYMENT. THE US DRAFTS ADDRESSED AND COUNTERED SPECIFIC PHIL HANG-UP ON REQUIRING US FORCES DEPENDENTS TO OBTAIN WORKING PERMITS FROM DEPT OF LABOR BEFORE
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BEING EMPLOYED IN THE FACILITIES, AND PHIL DEMAND THAT

WE PLEDGE NEVER AGAIN TO CONTRACT OUT WORK BEING DONE BY DIRECT HIRE PHILS. A MODICUM OF DISCUSSION FOLLOWED, INDICATING PHILS STILL STANDING FIRM ON THEIR WORK PERMIT DEMAND, BUT THAT THEY FEEL THE MODIFIED LANGUAGE ON CONTRACTING OUT MERITS THEIR FURTHER CONSIDERATION (NO US GIVE ON RIGHT TO CONTRACT OUT). IN CLOSING THE MEETING, INCIONG REITERATED TWO POINTS HE HAS REPEATED IN RECENT DAYS: (1) THAT BY AGREEING TO BILATERAL RESOLUTION OF DISPUTES AND TO THE PRINCIPLE OF DETERMINING COMPENSATION BY SURVEY RATHER THAN COLLECTIVE BARGAINING/ARBITRATION, THE PHIL SIDE HAS BARGAINED AWAY ITS BASIC POSITION THAT PHIL LAW MUST GOVERN LABOR IN THE FACILITIES; AND (2) THAT DESPITE A LOT OF VERBIAGE, THE US SIDE HAS NEVER BUDGED OFF ITS BLA POSITION, NOR AGREED TO ANYTHING THAT SUBSTANTIVELY ACKNOWLEDGED PHILIPPINE SOVEREIGNTY IN THE AREA OF LABOR RELATIONS. WE TOOK EXCEPTION TO THE LAST MENTIONED. HE ALSO WARNED THAT IF BILATERAL WAGE FIXING DISPUTE DECISIONS ARE NOT PROVIDED FOR IN THIS AGREEMENT, PHIL SIDE WILL BE COMPELLED TO RENEW DEMANDS FOR BINDING ARBITRATION. ONE HOPEFUL NOTE: HE ADDED, PARADOXICALLY, THAT IF A DECISION IS MADE BY THE PRINCIPALS TO PRESS FORWARD AND CONCLUDE THE NEGOTIATIONS, HE FELT THE LABOR GROUP COULD REACH AGREEMENT COMPARATIVELY EARLY. THE LABOR GROUP WILL AWAIT AUGUST 31 PLENARY BEFORE SCHEDULING ANOTHER MEETING.

3. COMMAND AND CONTROL. US SIDE OF COMMAND AND CONTROL WORKING GROUP PRESENTED NEW WORKING PAPER ON ACCESS, MOVEMENT AND OPERATIONAL ACTIVITIES ARTICLE. PHIL SIDE RECEIVED NEW WORKING PAPER FAVORABLY BUT PAST EXPERIENCE HAS SHOWN THAT PHIL PANEL OFTEN OVERRULES THEIR WORKING GROUP MEMBERS. PORT CONTROL DISCUSSION WAS DELAYED PENDING ACCUMULAZON OF STATISTICAL DATA RE SUBIC BASE USAGE. WORKING GROUP ALSO BRIEFLY DISCUSSED PARA 2 OF ARTICLE X OF ORIGINAL PHIL DRAFT, AS REVISED BY PHIL WORKING PAPER OF 26 AUGUST. FOR FIRST TIME IT WAS LEARNED THAT PHIL SIDE HAS GUIDANCE FROM HIGHER AUTHORITY TO REDUCE WEARING OF US UNIFORM OUTSIDE THE BASES TO A MINIMUM.

4. FACILITIES. FACILITIES WORKING GROUP DEVOTED AUGUST 30 SESSION TO DISCUSSION OF JOHN HAY. PELAEZ STRESSED THAT PHIL POSITION IS STILL U.S. RELINQUISHMENT OF ENTIRE FACILITY TO CONFIDENTIAL

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GOP (NOT PHIL MILITARY), AND HE HAS NO AUTHORITY TO STATE OTHERWISE. HE ALSO COMMENTED THAT IT SHOULD BE CLEARLY UNDERSTOOD THAT NO ALTERNATIVE PROPOSALS WOULD COME FROM PHIL SIDE. IF U.S. HAS IMAGINATIVE IDEAS FOR SOME U.S. USE UNDER LICENSE, U.S. WILL HAVE TO MAKE THE PROPOSALS. ADMITTING INTEREST IN WHAT WE MIGHT SUGGEST, PELAEZ ALLOWED THAT A PROPOSAL TO OPERATE JOHN HAY UNDER LICENSE WOULD RECEIVE PRIORITY CONSIDERATION IF IT APPEARED ATTRACTIVE BY COMPARISON

TO PROPOSALS (UNSPECIFIED) FROM COMPETING INTERESTS "SURROUNDING MALACANANG". PELAEZ APPEARED TO INFER THAT A LICENSE ARRANGEMENT WOULD BE A POSSIBILITY, WITH A COMMENT THAT HE HAD DISCUSSED US REPS' INFORMAL THOUGHTS ON JOHN HAY WITH MARCOS. IT NOW APPEARS THAT MARCOS PLANS TO CONTROL DISPOSITION OF JOHN HAY, BUT WE DOUBT THAT RELINQUISHMENT OFFERS US MUCH VALUE AS A BARGAINING "CHIP". WE ARE LIKELY TO GAIN NOTHING THAT COULD NOT OTHERWISE BE OBTAINED, WHILE PHILS MIGHT SEE SOME VALUE IN LETTING US HAVE IT AT A PRICE WHILE THEY AGONIZE FOR SOME YEARS OVER ITS ULTIMATE DISPOSITION. AS TALKS PROGRESS, PHILS CAN BE EXPECTED TO REPEAT SAME LINE, AND THIS IS ONE BALL THAT IS LIKELY TO FALL IN OUR COURT.
SULLIVAN

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